



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
MADISON COUNTY PROPERTY VALUATION ADMINISTRATOR**

**Fiscal Year Ended June 30, 2000**

**EDWARD B. HATCHETT, JR.  
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AGREED-UPON PROCEDURES REPORT

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Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Independent Accountant's Report

Honorable Steve Smith  
Madison County Property Valuation Administrator  
Madison County Courthouse  
Richmond, Kentucky 40475

We have performed the procedures enumerated below, which were agreed to by the Madison County Property Valuation Administrator, solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, a sample of disbursements, and leases and contracts for the fiscal year ended June 30, 2000. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Madison County Property Valuation Administrator. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Compare the budgeted statutory contribution of fiscal court to the legally required amounts calculated by the Revenue Cabinet. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the Property Valuation Administrator's local bank account.

Finding -

The fiscal court budgeted the appropriate statutory contribution required by the Revenue Cabinet and made payments to the Property Valuation Administrator. The Property Valuation Administrator deposited the statutory contribution payments to the local official bank account.

Client Response -

I agree.

Honorable Steve Smith  
Madison County Property Valuation Administrator  
(Continued)

2. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets.

Finding -

Capital outlay disbursements were agreed to cancelled checks and supporting documentation. The location of all new purchases has been verified. However, bids were not obtained on the 1997 Jeep. Per discussion between the PVA, the County Judge and the County Attorney, it was decided that the PVA should follow the County Procurement Code and use Noncompetitive Negotiation for this process. Per the County Administrative Code, "noncompetitive negotiations can only be used when other procurements are not feasible. This decision must be justified in writing and available for audit and review." No written documentation was provided during our audit to justify the use of the Noncompetitive Negotiation Process. We recommend Noncompetitive Negotiations be justified in writing as stated in the County Administrative Code for any future purchases under this procurement process.

Client Response -

Will respond with justified written documentation in future.

3. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Recorded city receipts agree with confirmations and all appropriate cities are included on the Property Valuation Administrator's records.

Client Response -

I agree.

Honorable Steve Smith  
Madison County Property Valuation Administrator  
(Continued)

4. Procedure -

Determine if Property Valuation Administrator has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month.

Finding -

Receipts and disbursements ledgers are not maintained. Bank reconciliations are completed for each month and reconciled to check book. We recommend the PVA maintain receipts and disbursements ledgers.

Client Response -

I agree.

5. Procedure -

Select a sample of disbursements from available Property Valuation Administrator's records and agree amounts to cancelled checks, paid invoices, or other supporting documentation. Determine if the expenditure is for official business.

Finding -

Selected disbursements had proper supporting documentation and were for official business purposes except for an advertisement in the Richmond Register. This advertisement showed pictures and names of all county officials. This could be misconstrued as a personal advertisement since it was not a necessary business expense of the office. We recommend this expenditure of \$30.00 be paid back with personal funds.

Client Response -

I agree.

Honorable Steve Smith  
Madison County Property Valuation Administrator  
(Continued)

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The PVA had only one contract agreement, a copier maintenance agreement. The contract agreement payment was in accordance with contract requirements. The maintenance agreement was appropriate, for official business, and properly authorized. There were no vehicle lease agreements or other contract agreements.

Client Response -

I agree.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Property Valuation Administrator and the Revenue Cabinet and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Respectfully submitted,



Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Engagement fieldwork completed -  
February 20, 2001



